methods for the capacity planning and management for these facilities, terms and conditions for over-provisioning facilities, and the necessary processes to implement facilities as indicated below. These methods will meet quality standards as mutually agreed to by AT&T and SWBT.

2.0 Avoidance of Over-Provisioning

Underutilization is the inefficient deployment and use of the network due to forecasting a need for more capacity than actual usage requires and results in unnecessary costs for SONET systems. To avoid over-provisioning, the Parties will agree to joint facility growth planning as detailed below.

3.0 Joint Facility Growth Planning

3.1 The initial fiber optic system deployed for each interconnection shall be the smallest standard available. For SONET this is an OC-3 system. The following lists the criteria and processes needed to satisfy additional capacity requirements beyond the initial system.

3.2 Criteria:

3.2.1 Investment is to be minimized;

3.2.2 Facilities are to be deployed in a "just in time" fashion.

3.3 Processes:

3.3.1 discussions to provide relief to existing facilities will be triggered when either Party recognizes that the overall system facility (DS1s) is at 90% capacity;

3.3.2 both Parties will perform a joint validation to ensure current trunks have not been over-provisioned. If any trunk groups are over-provisioned, trunks will be turned down as appropriate. If any trunk resizing lowers the fill level of the system below 90%, the growth planning process will be suspended and will not be reinitiated until a 90% fill level is achieved. Trunk design blocking criteria described in Appendix ITR will be used in determining trunk group sizing requirements and forecasts;

3.3.3 if based on the forecasted equivalent DS1 growth, the existing fiber optic system is not projected to exhaust within one year, the Parties will suspend further relief planning on this interconnection until a date one year prior to the projected exhaust date. If growth patterns change during the suspension period, either Party may re-initiate the joint planning process;

3.3.4 if the placement of a minimum size FOT will not provide adequate augmentation capacity for the joint forecast over a two year period, and the forecast appears reasonable based upon history, the next larger system may be deployed. In the case of a SONET system, the OC-3 system could be upgraded to an OC-12. If the forecast does not justify a move to the next larger system, another minimal size system (such as on OC-3) could be placed. This criteria assumes both Parties have adequate fibers for either scenario. If adequate fibers do not exist, both Parties would negotiate placement of additional fibers;

3.3.5 both Parties will negotiate a project service date and corresponding work schedule to construct relief facilities in an effort to achieve "just in time" deployment;

3.3.6 the joint planning process/negotiations should be completed within two months of identification of 90% fill.

4.0 Virtual Collocation Interconnection

The description of Virtual Collocation Interconnection is contained in SWBT's Virtual Collocation tariffs (i.e., SWBT's Tariff F.C.C. No. 73).

5.0 SONET-Based Interconnection

The description of SONET-Based Interconnection is contained in SWBT's SONET-Based Interconnection tariffs (i.e., SWBT's Tariff F.C.C. No. 73).

6.0 Physical Collocation Interconnection

The terms and conditions governing Physical Collocation Interconnection are contained in Appendix Collocation to Attachment 13: Ancillary Functions of this Agreement.

7.0 Leasing of SWBT's Facilities

AT&T's leasing of SWBT's facilities for purposes of Attachment 11: Network Interconnection Architecture will be subject to the mutual agreement of the Parties.

M

APPENDIX SS7 INTERCONNECTION

1.0 Introduction

1.1 For the purposes of signaling for the exchange of traffic under this Agreement between the Parties' networks, the Parties will connect their signaling networks in accordance with the technical terms of Section 9 of Attachment 6: Unbundled Network Elements.

12

ATTACHMENT 12: COMPENSATION

1.0 Introduction

1.1 For purposes of compensation under this Agreement, the telecommunications traffic traded between AT&T and SWBT will be classified as either Local Traffic, Transit Traffic, IntraLATA Interexchange Traffic, InterLATA Interexchange Traffic, FGA Traffic, or Cellular Traffic. The compensation arrangement for terminating calls from a Cellular provider (as defined in Appendix Cellular) to AT&T or SWBT end users is set forth in Appendix Cellular, attached hereto and incorporated by reference. The compensation arrangement for the joint provision of Feature Group A (FGA) Services is covered in Appendix FGA, attached hereto and incorporated by reference. The Parties agree that, notwithstanding the classification of traffic under this Agreement, either Party is free to define its own "local" calling area(s) for purposes of its provision of telecommunications services to its end users. The provisions of this Attachment do not apply to traffic originated over services provided under local Resale services.

1.2 Calls originated by AT&T's end users and terminated to SWBT's end users (or vice versa) will be classified as "Local Traffic" under this Agreement if: (i) the call originates and terminates in the same SWBT exchange area; or (ii) originates and terminates within different SWBT Exchanges that share a common mandatory local calling area, e.g., mandatory Extended Area Service (EAS), or other like types of mandatory expanded local calling scopes; or (iii) originates and terminates within optional extended area service areas such as Metroplus service.

1.3 The Parties will notify each other of the date when the first commercial call is terminated in Arkansas between SWBT and AT&T pursuant to this Section. During the Bill and Keep Time Period, AT&T and SWBT will use the Bill and Keep compensation arrangement described in Section 1.4 below.

1.4 Bill and Keep will be the reciprocal compensation arrangement for the first nine (9) months after the date upon which the first commercial call is terminated between SWBT and AT&T in Arkansas. At the completion of the nine month period, Bill and Keep will remain unless the difference between the traffic volumes flowing between the two networks in Arkansas exceeds ten percent of the larger volume of traffic, the Parties will assess each other symmetrical transport and termination rates at the interim or permanent rates established by TELRIC cost studies that are in effect at the end of the nine month period. The ten percent threshold should be calculated on a per-minute basis. When traffic exceeds the ten percent threshold, SWBT and AT&T will compensate each other for all calls unless the Parties agree to apply the compensation rates only to the volume of traffic that exceeds ten percent. The reciprocal compensation rates as adopted herein apply to calls that originate and terminate within the single or multiexchange local calling area of SWBT including the EAS areas served by SWBT. Bill and Keep applies only to Local Traffic as defined in Section 1.2 of this Attachment and does not include Transit traffic. The Parties will cooperate in tracking and monitoring the levels of traffic terminated on each Party's network.

2.0 Responsibilities of the Parties

2.1 Each Party to this Agreement will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved.

2.2 Each Party will include in the information transmitted to the other for each call being terminated on the other's network (where available), the originating Calling Party Number (CPN).

2.3 The type of originating calling number transmitted depends on the protocol of the trunk signaling used for interconnection. Traditional toll protocol will be used with Multi-Frequency (MF) signaling, and Automatic Number Identification (ANI) will be sent either from the originating Parties end office switch to the terminating Parties tandem or end office switch.

2.4 Where one Party is passing CPN but the other Party is not properly receiving information, the Parties will cooperatively work to correctly rate the traffic.

3.0 Reciprocal Compensation for Termination of Local Traffic

3.1 The compensation set forth below will apply to all Local Traffic as defined in Section 1.2 of this Attachment.

3.2 Applicability of Rates:

3.2.1 The rates, terms, conditions in this Section 3.0 apply only to the termination of Local Traffic, except as explicitly noted.

3.2.2 The Parties agree to compensate each other for the termination of Local Traffic on a minute of use (MOU) basis.

3.3 **Rate Elements:**

3.3.1 A Tandem Served rate element is applicable to Tandem Routed Local Traffic on a terminating local MOU basis and includes compensation for the following sub-elements:

3.3.1.1 Tandem Switching - compensation for the use of tandem switching functions.

3.3.1.2 Tandem Transport - compensation for the transmission facilities between the local tandem and the end offices subtending that tandem.

3.3.1.3 End Office Switching - compensation for the local end office switching and line termination functions necessary to complete the transmission.

3.3.2 An End Office Served rate element applies to direct-routed Local Traffic on a terminating local MOU basis and includes compensation for End Office Switching. This includes direct-routed Local Traffic that terminates to offices that have combined tandem and end office functions.

3.3.3 **Prices**

Tandem Switching

Tandem Common Transport

Zone 1
Zone 2
Zone 3

End Office Switching

Zone 1
Zone 2
Zone 3

3.4 Following the nine (9) month Bill and Keep period, if the conditions set forth in Section 1.4 of this Attachment require reciprocal compensation arrangements between the Parties, the Parties will compensate each other at the rates ordered by the Commission

4.0 Reciprocal Compensation for the Termination of Transit Traffic

4.1 Transit Traffic (also known as Through-put) is a switching and transport function only, which allows one Party to send Local Traffic, as defined in Section 1.2, to a third party network through the other Party's tandem. Therefore, a Transit Traffic rate element applies to all MOUs between a Party and third party networks that transit the other Party's tandem switch. The originating Party is responsible for the appropriate rates unless otherwise specified in this Attachment. . The Transit Traffic rate element is only applicable when calls do not originate with (or terminate to) the transit Party's end user.

	Price
4.2 Transit Traffic:	
Tandem Switching	
Tandem Common Transport	
Zone 1	
Zone 2	
Zone 3	

5.0 Reciprocal Compensation For Termination Of IntraLATA Interexchange Traffic

5.1

5.2 For intrastate intraLATA interexchange service traffic, compensation for termination of intercompany traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge, as set forth in each Party's intrastate access service tariff. For interstate intraLATA service, compensation for termination of intercompany traffic will be at terminating access rates for MTS and originating access rates for 800 Service including the CCL charge, as set forth in each party's interstate access service tariff.

6.0 Compensation for Origination and Termination of Switched Access Service Traffic to or from an Interexchange Carrier (IXC) (Meet-Point Billing (MPB) Arrangements)

6.1 For interstate interLATA traffic, compensation for termination of intercompany traffic will be at access rates as set forth in each Party's own applicable interstate access tariffs.

6.2 The Parties will establish MPB arrangements in order to provide Switched Access Services to Interexchange Carriers via a Party's access tandem switch, in accordance with the MPB guidelines adopted by and contained in the Ordering and Billing Forum's MECOD and MECAB documents. Except as modified herein, MPB will be determined during joint network planning.

6.3 The Parties will maintain provisions in their respective federal and state access tariffs, or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.

6.4 As detailed in the MECAB document, the Parties will exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services jointly handled by the parties via the MPB arrangement. The Parties will exchange the information in Exchange Message Record (EMR) format, on magnetic tape or via a mutually acceptable electronic file transfer protocol. Where the EMR records cannot be transferred due to a failure of the Connect: Direct, records can be provided via magnetic tape, under the specifications contained in Attachment 4: Connectivity Billing and Recording. The initial billing company (IBC) will provide the information to the subsequent billing company within ten (10) working days of sending the IBC's bills.

6.5 Initially, billing to interexchange carriers for the Switched Access Services jointly provided by the parties via the MPB arrangement will be according to the multiple bill single tariff method. As described in the MECAB document each Party will render a bill in accordance with its tariff for its portion of the service. Each Party will bill its own network access service rates to the IXC. The residual interconnection charge (RIC), if any, will be billed by the Party providing the End Office function.

6.6 MPB will also apply to all jointly provided traffic bearing the 900, 800 and 888 NPAs or any other non-geographical NPAs which may likewise be designated for such traffic where the responsible party is an IXC.

7.0 <u>Billing Arrangements for Compensation for Termination of IntraLATA, Local, Transit, and Optional Calling Area Traffic</u>

7.1

7.2 Other than for traffic described in Section 6 above, each Party will deliver monthly settlement statements for terminating the other Party's traffic based on a mutually agreed schedule as follows:

7.2.1 On a monthly basis, each Party will record its originating minutes of use including identification of the originating and terminating NXX for all intercompany calls.

7.2.2 Each Party will transmit the summarized originating minutes of use from Section 7.2.1 above to the transiting and/or terminating Party for subsequent monthly intercompany settlement billing.

7.2.3 Bills rendered by either Party will be paid within 30 days of receipt subject to subsequent audit verification.

7.2.4 Detailed technical descriptions and requirements for the recording, record exchange and billing of traffic are included in the Technical Exhibit Settlement Procedures (TESP), a copy of which has been provided to AT&T by SWBT.

7.3 MOUs for the rates contained in this Attachment will be measured in seconds by call type, and accumulated each billing period into one minute increments for billing purposes in accordance with industry rounding standards.

7.4 Each Party will multiply the tandem routed and end office routed terminating MOUs by the appropriate rate contained in this Attachment to determine the total monthly billing to the other Party.

7.5 Through March 31, 1998, if the percentage of calls passed with CPN is greater than ninety percent (90%), all calls exchanged without CPN information will be billed as either Local Traffic or IntraLATA Toll Traffic in direct proportion to the minutes of use (MOU) of calls exchanged with CPN information. Effective April 1, 1998, if the percentage of calls passed with CPN is less than 90%, all calls passed without CPN will be billed as IntraLATA Toll Traffic.

8.0 <u>Compensation for Terminating Cellular Traffic</u>

8.1 Appendix Cellular sets forth the terms and conditions under which the Parties will distribute revenue from their joint provision of Wireless Interconnection Service for mobile to landline traffic terminating through the Parties' respective wireline switching networks within a LATA. If one Party enters into an interconnection agreement with a Commercial Mobile Radio Service (CMRS) provider, Appendix Cellular shall no longer be applicable between the Parties with respect to such CMRS providers, and the other Party shall be obligated within a reasonable length of time to enter into an agreement with such CMRS provider for the termination of wireless to landline traffic.

8.2 AT&T will pay the Local Transit Traffic rate to SWBT for calls that originate on

AT&T's network and are sent to SWBT for termination to a CMRS Provider as long as such Traffic can be identified as wireless traffic. SWBT will pay the Local Transit Traffic rate to AT&T for such calls that originate on SWBT's network and are sent through AT&T for termination on a CMRS Provider's network. Each Party shall be responsible for interconnection agreements with CMRS providers for terminating compensation regarding traffic originating on the Party's network and terminating on the CMRS provider's network. The Parties agree to cooperate with each other regarding third party compensation issues. In the event that the originating party does send traffic through the transiting party's network to a third party provider with whom the originating party does not have a traffic interchange agreement, then the originating party agrees to indemnify the transiting party for such traffic pursuant to Section 7.0 of the General Terms and Conditions portion of the Agreement.

8.3 When traffic is originated by either Party to a CMRS Provider, and the traffic cannot be specifically identified as wireless traffic for purposes of compensation between SWBT and AT&T, the traffic will be rated either as Local or Access and the appropriate compensation rates shall be paid by the originating Party to the transiting Party.

9.0 Interim Number Portability (INP)

9.1 The Parties agree that under INP, the net terminating compensation on calls to INP numbers will be received by each end user's chosen local service provider as if each call to the end user had been originally addressed by the caller to a telephone number bearing an NPA-NXX directly assigned to the end user's chosen local service provider. In order to accomplish this objective where INP is employed, the Parties will utilize the process set forth below in this Section (or other mutually developed and agreed to arrangement) whereby the net terminating compensation on calls subject to INP will be passed from the Party (the Performing Party) which performs the INP to the other Party (the Receiving Party) for whose end user the INP is provided.

9.2 The Parties will treat all ported calls as two separate call segments in the interLATA and intraLATA access billing and local interconnection settlement billing systems.

9.3 The Performing Party will quantify the total monthly terminating ported minutes of use to the Receiving Party for each end office of each Performing Party.

9.4 The Performing Party will quantify the total monthly interstate, intrastate, and local minutes of use in those Performing Party's end offices in accordance with Section 9.3 above in order to determine the jurisdictional percentages. The Receiving Party has the right to audit those percentages, not to exceed once per quarter. The Performing Party will provide the Receiving Party with detailed summary reporting on a total calling area basis each month.

9.5 Each month, using the percentages developed pursuant to Section 9.4 above, the Performing Party will calculate by end office the interstate and intrastate access adjustment amounts from the initial billing amounts under Section 9.2 for subsequent payment to the Receiving Party. This adjustment will be based on the Performing Party's interstate and intrastate access rates utilizing the applicable rate elements, i.e., carrier common line (CCL), residual interconnection charge (RIC), local switching (LS), local transport termination (LTT), and local transport facility (LTF).

9.6 Each month the Performing Party will calculate a local interconnection settlement billing credit related to the interstate and intrastate (non-local) ported calls from the initial billing amounts under Section 9.2. The billing credit for these non-local calls will be included with the calculation under Section 9.5 for subsequent reimbursement to the Performing Party on a net payment basis by the Receiving Party.

APPENDIX CELLULAR

This Appendix to Attachment 12: Compensation sets forth the terms and conditions under which the Parties will distribute revenue from their joint provision of Cellular Interconnection Service for calls terminating through the Parties' respective wireline switching networks within a Local Access and Transport Area (LATA). The Parties will be compensated under this Appendix only to the extent that they have not already been compensated under other tariffs, settlement agreements or contracts. This Appendix is subject to the terms and conditions of applicable tariffs.

1.0 Definitions

1.1 Cellular Interconnection Service - Origination and termination of calls between a Cellular Mobile Carrier's (CMC's) Mobile Telephone Switching Office (MTSO) through SWBT's or AT&T's point of switching for the interchange of traffic with the network

1.2 Cellular Geographic Service Area ("CGSA") - The geographic area within which the cellular carrier is authorized to provide service under a single license under Part 22 of the FCC Rules and Regulations.

1.3 Cellular Mobile Carrier ("CMC") - A radio common carrier provider of domestic public cellular telecommunication service, as defined in Part 22, Subpart K, of the FCC Rules and Regulations or any other CMRS provider as defined by the FCC's Rules and Regulations.

1.4 End Office - A SWBT or AT&T switching system where exchange service customer loops are terminated for the purpose of interconnection to each other and to the network.

1.5 End Office Rate Center - An end office selected by the CMC for rating or measuring purposes of type 2A cellular interconnection.

1.6 Local Access and Transport Area ("LATA") - A geographic area marking the boundaries beyond which a Bell Operating Company formerly could not carry telephone calls pursuant to the terms of the Modification of Final Judgment (MFJ), U.S. vs. American Tel. & Tel. Co., 552 F.Supp. 131 (D.D.C. 1983), affirmed sub nom. Maryland v. United States, 460 U.S. 1001 (1983).

1.7 Local Calling Area or Local Calling Scope - That area in which the message telephone exchange service between two or more end offices, without a toll charge, is provided.

1.8 Minutes of Use (MOU) - For the purposes of this Appendix, MOU means the Terminating Traffic as recorded by the Primary Company.

1.9 Mobile Telephone Switching Office ("MTSO") - A CMC's switching equipment or terminal used to provide the CMC's switching services or, alternatively, any other point of termination designated by the CMC. The MTSO directly connects the CMC's customers within its CGSA to the Primary Company's facilities.

1.10 Primary Company - The Party that provides the End Office or Tandem Office where the CMC chooses to connect terminating traffic. The Primary Company also bills the CMC for Cellular Interconnection Service.

1.11 Revenues - Those monies the Primary Company bills and collects from the CMC for jointly provided Cellular Interconnection Service, using the Primary Company's applicable Cellular Interconnection Service tariffs or contracts.

1.12 Secondary Company - The Party that receives Terminating Traffic from the Primary Company.

1.13 Tandem Office - A Party's switching system that provides an intermediate switching point for traffic between end offices or the network.

1.14 Terminating Traffic - That traffic which is delivered by a CMC to the Primary Company for termination at a point on the intraLATA wireline switching network.

2.0 ADMINISTRATION OF REVENUE DISTRIBUTION

2.1 The Primary Company will compute, bill, collect and distribute the revenue for jointly provided Cellular Interconnection Service for calls terminating within a LATA. On jointly provided Cellular Interconnection Service, the Primary Company will share the Local Transport (LT) Revenues as described below with the Secondary Company. The Primary Company will distribute applicable Local Switching (LS) and Carrier Common Line (CCL) charges which are collected from the CMC to the Secondary Company, as described below.

2.2 When SWBT is the Secondary Company, distribution of revenues will be computed using the rate elements as defined in SWBT's applicable cellular interconnection tariff.

2.3 When AT&T is the Secondary Company, distribution of revenues will be computed using the rate elements .

2.4 For Terminating Traffic, actual monthly cellular MOU for each office in the LATA will be measured by the Primary Company or provided to the Primary Company by the CMC in those cases where the Primary Company is unable to measure the actual terminating usage.

2.5 Each month, the amount of CCL and LS revenue (based on the rates in the Primary Company's applicable tariffs) due the Secondary Company from the Primary Company will be determined by totaling the actual terminating MOUs associated with each of the Secondary Company's end offices and multiplying those MOUs by the appropriate rates as set out above. The LT revenues due to the Secondary Company will be determined for each Secondary Company end office by multiplying the billed MOUs by the appropriate LT rate multiplied by the applicable end office percentage ownership of facilities listed in Exhibit A to this Appendix.

2.6 The Primary Company will prepare a revenue and usage statement on a monthly basis. Within 90 calendar days after the end of each billing period, except in cases of disputes, the Primary Company will remit the compensation amount due the Secondary Company. When more than one compensation amount is due, they may be combined into a single payment. No distribution will be made for the revenue the Primary Company is unable to collect.

2.7 The revenue and usage statement will contain the following information:

2.7.1 The number of MOU for each of the Secondary Company's end offices, the corresponding rate elements to be applied to the MOU for each end office, and the resulting revenues;

2.7.2 The total of the MOU and revenues for the Secondary Company;

2.7.3 The percent ownership factor used to calculate the distribution of Local Transport revenues; and,

2.7.4 Adjustments for uncollectibles.

2.8 The Parties agree that revenue distribution under this Appendix will apply as of the effective date of the Agreement. The Primary Company will start revenue distribution on usage within 60 calendar days from the date this Appendix is effective.

3.0 TERMINATION PROVISIONS

3.1 This Appendix shall remain in effect until terminated by either Party upon a minimum of 30 calendar days written notice by such Party to the designated representative of the other.

3.2 This Appendix may be terminated by an order of an appropriate regulatory commissioner a court of competent jurisdiction.

4.0 MISCELLANEOUS PROVISIONS

4.1 Exhibit A to this Appendix is attached and incorporated into this Appendix by reference. From time to time, by written agreement of both parties, new Exhibits may be substituted for the attached Exhibit A, superseding and canceling the Exhibit A previously in effect.

4.2 Each party will, promptly upon request, furnish to the other such information as may reasonably be required to perform under this Appendix.

EXHIBIT A TO APPENDIX CELLULAR

End Office Percent Ownership

of Local Transport Facilities

CLLI Code	NPA-NXX	% Ownership of Transport Facilities

APPENDIX FGA

This Appendix to Attachment 12: Compensation sets forth the terms and conditions under which the Parties will distribute revenue from the joint provision of Feature Group A (FGA) Switched Access Services.

These services will be provided within a Local Access and Transport Area (LATA) and/or an Extended Area Service (EAS) arrangement. The Primary Company will compensate the Secondary Company only to the extent that it has not already been compensated under its interstate or intrastate access service tariffs or other settlement/contract arrangements. This Appendix is subject to applicable tariffs.

1.0 Definitions

1.1 Local Access and Transport Area (LATA) means a pre-established geographic area encompassing one or more local exchange areas within which a Party may provide telecommunications services.

1.2 The term Extended Area Service (EAS) as used in this Appendix means the provision of message telephone exchange service between two or more local exchange service areas without a toll charge.

1.3 Subscriber Access Lines will mean a communication facility provided under a general and/or exchange service tariff extended from a customer premise to a central office switch which may be used to make and receive exchange service calls, intrastate toll service or interstate toll service calls.

1.4 Feature Group A Switched Access Service includes all facilities and services rendered in furnishing FGA access service, both in EAS and non-EAS (i.e., LATA wide terminations) areas, in accordance with the schedule or charges, regulations, terms and conditions stated in the interstate or intrastate access service tariffs of the Parties.

1.5 The Primary Company denotes the Party with the Primary office(s).

1.6 The Primary Office is an office which: (1) directly or jointly connects to an interexchange carrier and /or end user: and (2) provides joint FGA switched access service to that interexchange carrier and/or end user with other end offices.

1.7 The Secondary Company denotes the Party with the secondary office(s).

1.8 The Secondary Office is any office involved in providing joint FGA switched access to an Interexchange carrier and /or end user through the switching facilities of the Primary office.

1.9 Revenues under this Appendix are those FGA Switched Access amounts due the Primary and Secondary Companies under their applicable tariffs, less uncollectible revenues. Revenues for any other services are not included. Uncollectible revenues are those revenues the Primary Company is unable to collect, using its regular established collection procedures. The Primary Company may offset uncollectibles against current revenue distribution.

1.10 Access Minutes or Minutes of Use (MOUs) are those minutes of use as described in Part 69 of the Federal Communications Commission's Rules, and are limited to those FGA MOUs which originate and /or terminate in the Secondary Office(s) covered by this Appendix.

1.11 Currently Effective Tariff Rate means the approved tariff rate effective on the first day of the month for which compensation is being calculated.

2.0 <u>Undertaking of the Parties</u>

2.1 The Secondary Company will notify the Primary Company of all tariff rate revisions, affecting this Appendix which the FCC or other appropriate regulatory authority allows to take effect, at least 30 days in advance of their effective date. Revenue distribution will be based on the revised rates 45 days after the effective date of the tariff revisions. However, if the secondary Company fails to notify the Primary Company of a new rate within 30 days of its effective date, the Primary Company may delay implementation of the new rate until the next months revenue distribution cycle, and will not be required to adjust the previous bills retroactively.

2.2 Each Party will furnish to the other such information as may reasonably be required for the administration, computation and distribution of revenue, or otherwise to execute the provisions of this Appendix.

3.0 <u>Administration of Revenue Distribution</u>

The Primary Company will be responsible for the administration, computation and distribution of the FGA access service revenues collected on behalf of the Secondary Company.

4.0 Minutes of Use (MOUs) Development

4.1 The Parties will calculate the amount of FGA revenues due each Party, by determining the amount of FGA MOUs attributable to each Party as described below. The Primary Company will then multiply the MOUs by the rates in the Secondary Company's applicable tariff to determine the amounts tentatively due to the Secondary Company.

4.2 **Terminating MOUs Development**

4.2.1 Actual monthly premium (charged at equal access end office) and non-premium (charged at non-equal access end offices) terminating FGA access MOUs for each office in the LATA or a FGA access EAS area will be measured by the Primary Company.

4.2.2 Where the Primary Company cannot measure or identify the terminating FGA MOUs by end office, terminating MOUs will be total unmeasured MOUs allocated to the LATA. In this event, those MOUs will be distributed based upon the ratio of each Party's subscriber access lines, as identified in Exhibit B, which is attached hereto and made a part hereof, to the total subscriber access lines in the FGA access area as determined by the Primary Company.

4.3 **Originating MOUs Development**

4.3.1 The Primary Company will derive and distribute monthly originating FGA access MOUs, billed by the Primary Company, to each Secondary Company's end office in the EAS calling area, as identified in Exhibit A, which is attached hereto and made a part hereof, based upon a ration of each Party's subscriber access lines to the total subscriber access lines in the appropriate EAS area as determined by the Primary Company.

4.3.2 The parties recognize that since originating non-EAS calls to the FGA service area are rated and billed as intraLATA toll, such usage is assumed to be minimal. Therefore, originating FGA access MOUs will not be distributed to end offices outside an EAS calling area.

5.0 Calculation of Revenue Distribution

5.1 The amount of premium or non-premium revenues due each party each month will be equal to the sum of Originating and Terminating premium or non-premium revenue for each end office. These revenues will be calculated by the Primary Company by multiplying each of the Secondary Company's effective interstate and/or intrastate FGA switched access tariff rate elements (except the Local Transport element described below) by the appropriate MOU calculation under Sections 4.2.1 and 4.2.2.

5.2 Local Transport (or its equivalent under the Secondary Company's tariff and called Transport in this agreement) compensation will be determined for each company by multiplying each of the Secondary Company's Transport rates by the appropriate MOUs (as calculated under Sections 4.2.1 and 4.2.2.) by the Secondary Company's percentage ownership of facilities agreed on by the Parties and set out in Exhibit B, which is attached hereto and made a part hereof.

6.0 Revenue Distribution Amounts, Monthly Statements And Payments

6.1 The Primary Company each month will calculate and prepare a monthly compensation statement reflecting the revenue distribution amounts for FGA, both EAS and non-EAS, access service due the Secondary Company.

6.2 The monthly compensation statement will show, for each Secondary Office, separately:

6.2.1 The total number of non-premium or premium terminating MOUs and revenue.

6.2.2 The total number on non-premium or premium originating MOUs and revenues.

6.2.3 The total compensation due the Secondary Company, by rate element.

6.2.4 The number of terminating MOUs recorded by the Primary Company.

6.2.5 The number of originating MOUs estimated by the Primary Company pursuant to Section

6.2.6 The number of access lines used to prorate originating usage pursuant to Section 4.2.1 and 4.2.2.

6.2.7 The percent ownership factor, if any, used to prorate Local Transport revenues.

6.2.8 Adjustments for uncollectibles.

6.3 Within 60 Calendar days after the end of each billing period, the Primary Company will remit the compensation amount due the Secondary Company. Where more than one compensation amount is due, they may be combined into a single payment.

7.0 Miscellaneous Provisions

7.1 This Appendix will remain in effect until terminated by thirty (30) calendar days notice by either Party to the other.

EXHIBIT A

EAS Locations for Originating and Terminating

Feature Group A Access Service

Primary Office Company		Secondary Office Company		
CLLI CODE	NPA-NXX	CLLI CODE	NPA-NXX	ACCESS LINE